

**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT
OF
MERIDIAN STREET PRESERVATION COMMISSION

July 1, 2000 to June 30, 2004



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	1
Independent Accountant's Report	2
Schedule of Receipts, Disbursements, and Cash and Investment Balances.....	3
Notes to Schedule	4
Examination Results and Comments:	
Daily Deposits	5
Issuance of Form 1099	5
Document Retention	5
Exit Conference	6

OFFICIALS

Office

Official

Term

Chairman

David L. Baker
Tammara L. Tracy

07-01-99 to 06-30-01
07-01-01 to 06-30-06



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE MERIDIAN STREET PRESERVATION COMMISSION

We have examined the schedule of receipts, disbursements, and cash and investment balances of the Meridian Street Preservation Commission (Agency), for the period of July 1, 2000, to June 30, 2004. The Agency's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Agency for the years ended June 30, 2001, 2002, 2003, and 2004, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 1, 2005

MERIDIAN STREET PRESERVATION COMMISSION
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
As Of And For The Years Ended June 30, 2001, 2002, 2003, And 2004

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Cash and investments, July 1	\$ 651	\$ 920	\$ 724	\$ 1,177
Receipts:				
Fees	<u>814</u>	<u>821</u>	<u>2,063</u>	<u>1,513</u>
Disbursements:				
Recording fees and equipment	475	900	1,050	375
Public notice publications	66	117	419	171
Miscellaneous	<u>4</u>	<u>-</u>	<u>141</u>	<u>210</u>
Total disbursements	<u>545</u>	<u>1,017</u>	<u>1,610</u>	<u>756</u>
Excess of receipts over disbursements	<u>269</u>	<u>(196)</u>	<u>453</u>	<u>757</u>
Cash and investments, June 30	<u>\$ 920</u>	<u>\$ 724</u>	<u>\$ 1,177</u>	<u>\$ 1,934</u>

The accompanying notes are an integral part of the schedule.

MERIDIAN STREET PRESERVATION COMMISSION
NOTES TO SCHEDULE

Note 1. Introduction

The Agency was established under the laws of the State of Indiana. The Agency provides the following services: preserve and promote restoration of unique and historic residential areas; specifically, a portion of Meridian Street in Indianapolis, Indiana. Funds needed to operate the Agency are obtained through the collection of fees and from donations. The agency received its initial funding from a grant (\$2,000) from Eli Lilly in September 1972. The agency consists of nine volunteer members, two appointed by the Mayor of Indianapolis and seven by the Governor. These members hold monthly meetings to hear petitions from Meridian Street property owners. The owners must file a petition to obtain approval for any zoning variances or to make any change in appearance of their property.

Note 2. Fund Accounting

The Agency uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Deposits and Investments

Deposits, made in accordance with IC 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Agency to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds.

MERIDIAN STREET PRESERVATION COMMISSION
EXAMINATION RESULTS AND COMMENTS
June 30, 2004

DAILY DEPOSITS

As stated in our prior four reports (most recently B08340 and B14867), the Meridian Street Preservation Commission did not consistently deposit receipts for filing fees within the following business day.

Indiana Code 5-13-6-1(b) states in part: "... all public funds ... shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state not later than the business day following the receipt of the funds."

ISSUANCE OF FORM 1099

The Meridian Street Preservation Commission issues commission checks to the recording secretary for recording and transcribing services. The payments equaled or exceeded \$600.00 in 2002 and 2003.

26 CFR 1.6041-1 states: "... every person engaged in a trade or business shall make an information return for each calendar year with respect to payments it makes during the calendar year in the course of its trade or business to another person" Those payments are further clarified at 26 CFR 1.6041-1(a)(1)(i) (A) which states "... Salaries, wages, commissions, fees, and other forms of compensation for services rendered aggregating \$600 or more." 26 CFR 1.6041-1(b)(1) states: "... all persons engaged in a trade or business", as used in section 6041(a), includes not only those so engaged for gain or profit, but also organizations the activities of which are not for the purpose of gain or profit.

DOCUMENT RETENTION

Documents selected for our audit could not be located. Due to the lack of documentation, the validity and accountability for some monies received (disbursed) could not be established.

Documents should be retained in accordance with the retention schedule approved by the Oversight Committee on Public Records. Also, documents must be filed in such a manner as to be readily retrievable or otherwise reasonably attainable, upon request, during an audit. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapters 1 and 15)

MERIDIAN STREET PRESERVATION COMMISSION
EXIT CONFERENCE

The contents of this report were discussed on July 19, 2005, with Tammara Tracy, Chairman.